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6 JAN 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Contract Amendments for Projects
IDEALIST and OXCART

1. This memorandum contains a recommendation for approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 6.

2. I am proposing herein certain amendments to the contracts of our project pilots. Basically, these amendments are intended to accomplish three things:

a. Provide an immediate salary increase for IDEALIST pilots.

b. Provide a schedule for future salary increases for the OXCART pilots.

c. Establish one contract which will be substantially the same for all pilots in both projects.

3. At no time since the signing of the original IDEALIST contracts in 1956 have the pilots received a pay increase. As a matter of fact, when certain major revisions in the contract were made in 1960, following the recall of the overseas Detachments to the United States, the pilots suffered a slight decrease in salary. This salary decrease occurred and has continued despite the fact that since that time operational requirements have steadily increased and, as a natural consequence of this increased activity, the pilots have been required to spend more and more time away from their families in a TDY status. During 1962 and 1963 the pilots averaged five months each year away from home.

25X1A

3899-63

4. There are several other considerations which also influence my desire to obtain an increase in salary for these individuals. For example, as these men become increasingly valuable to us with each additional year of experience, they are at the same time spending prime years of their life during which they would otherwise be preparing for a more normal, long-range career. I believe that the risks to which these pilots are exposed has increased considerably over the past few years as the result of aging aircraft and equipment and improved intercept capabilities by the opposition. I further believe that increased living costs and an individual's natural expectation of occasional salary increases should be considered. The difference between their present contract income and that which they could be receiving as Air Force pilots is considerably less today than it was at the time the original contracts were signed.

5. At the present time the IDEALIST pilots are averaging between \$29,000 and \$30,000 a year gross income. The exact amount is determined by a rather complicated bonus clause. The OXCART pilots' contract calls for a flat sum of \$2,000 per month and does not include a bonus clause. The salary schedule recommended below would do away with the bonus clause in the IDEALIST contract and would provide a gross annual salary increase of approximately \$6,000 for six of the present seven IDEALIST pilots. It would also eventually bring the OXCART pilots' income into line with that of the IDEALIST group. I feel quite strongly that given equal time under contract the two groups should receive the same salary, purely as a matter of equity. (Contract pay provisions attached.)

6. It is recommended that you approve revision of the present IDEALIST and OXCART pilot contracts so that they will reflect the following pay schedule:

a. 0 - 2 years : \$2,000 per month.

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b. 3 - 4 years : \$2,500 per month.
c. 5 years and over: \$3,000 per month.

(Signed) Jack C. Ledford

JACK C. LEDFORD
Colonel, USAF
Assistant Director
Special Activities

ATTACHMENT: a/s

CONCURRENCE:

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ALBERT D. WHEELON
Deputy Director
(Science and Technology)

13 JAN 1964

Date

APPROVED:

(Signed) Lyman B. Kirkpatrick

16 JAN 1964

Director of Central Intelligence

Date

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ATTACHMENT

IDEALIST Contract Salary Provisions

Active duty status (base pay) at the rate of \$1250 per month.

In addition, an amount calculated at the rate of \$500.00 per month for each month of satisfactory service in an Active Duty Status will be paid to you provided your services are not terminated for cause based on your misconduct or abandonment of your obligation hereunder. In the event your services are terminated for cause arising after 1 January 1963, the period of services from the commencement of this agreement to 1 January 1963 shall be considered a period of satisfactory service for the purpose of payments to be made under this sub-paragraph. The amount payable will be paid within a four (4) year period from the termination of this agreement and the specific date of payment will be at the sole discretion of the Agency. Fractional portions of a month will be prorated on the basis of a 30-day month. As of 1 January 1963, any amounts accrued under this agreement to 1 January 1963 will be placed in escrow by the Agency for your account and will be paid in accordance with the provisions of this section, provided however, that as to such amounts placed in escrow the conditions for payment included in the first sentence of this section shall not be applicable.

In addition, you are herein authorized a post differential in conformance with Agency rules and regulations. The active duty status pay rate shall be the amount on which said differential is based.

Bonus - \$750.00 per month.

You will be paid \$250.00 for each calendar month in which you are assigned to participate in an operational mission which has as its objective the overflight of the territory of a foreign nation, or you perform an unusual task. What constitutes an unusual task will be determined by the Agency in its sole discretion. Payment under this sub-paragraph shall not exceed \$250.00 for any one calendar month.

In addition to and for each bonus payment made under the above provision, there shall be concurrently

credited on the books of this Agency the amount of \$500.00. At your option, in lieu of crediting this amount on the books, a \$500.00 United States Savings Bond of an appropriate type will be purchased in your name. However, this amount or the bonds will not be paid or delivered to you until after the first day of the calendar year following the performance of service for which these amounts or bonds are applicable.

In addition to the compensation otherwise provided in this contract, you will be provided:

If you are single, or are married and elect not to have your dependents (as that term is defined in appropriate Agency regulations and directives) with you, quarters and meals during the entire period of your service while at locations designated by the Agency.

If you are married and, within a period of time prescribed by the Agency, elect to have your dependents with you at locations designated by the Agency, quarters or in lieu thereof (at the option of the Agency), a quarters allowance of \$250.00 per month in the United States and \$200.00 per month overseas.

OXCART Contract Salary Provisions

In full consideration for these services you will be compensated at the rate of \$24,000 per annum and receive the benefits otherwise stipulated in this agreement. (Other benefits referred to are such items as life insurance, leave, hospitalization, travel expenses, etc.)